



FINANCE COMMITTEE

CITY COUNCIL

MONDAY, NOVEMBER 3, 2008
CITY COUNCIL OFFICE
5:00 p.m.
AGENDA

Committee: J. Waltman, Chair, S. Fuhs, M. Baez

COMMITTEE OF THE WHOLE	5:00 pm
1. Parking Authority Guarantee Ordinance (M. Setley)	
2. Housing Permit Update	

FINANCE COMMITTEE

I. Administration's Current Proposal	5:30 p.m.
1. Fine-Fees Increases (Maximus)	

II. Auditor's Recommended Changes	
1. Revenues	
2. Expenditures	

II. City Council	
1. Amendment Suggestions	
2. Consensus	

III. 2009 CDBG Action Plan & Consolidated Plan Review	
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Follow up from 8-18 work session

➤ Sect 108 Loan to Reading Future

- Allocation of \$500,000 to OCR
- Amend to Allocate for Blighted Property Review Committee
- Amend to Allocate for Street Lighting
- Reduction in NEAR allocation
- Reduction in OND allocation

Budget Issues

1. Continuation of discussions started at the Budget Summit
2. Review of CIP Amendments & General Fund Amendments
3. Issues referred from past Finance Meetings

Council and Administration of Expectations of Finance Committee

- Scope of Finance Budget Committee Review

- a. General Fund Recovery Plan
- b. Capital Project Funding Plan
- c. Review of Financing and Debt Service
- d. Assessment of City Assets
- e. Related State and Federal Financial Issues

- Key Assessment Areas:

- a. CDBG
- b. Parking Authority
- c. Water Authority
- d. Equity opportunities
- e. Exemption revenue strategies
- f. Debt Service (current & proposed)
- g. User fees
- h. Regional opportunities (short/long term)
- i. Tax revenues
- j. State and Federal opportunities
- k. Expense analysis
 - Operational savings
 - Organization structure
 - Contracted services

- 2008 Budget Review

- Discussion of Specific 2009 Budget Commitments

V. Repeat Findings Identified in the External Audit Reports

**City of Reading
Summary of 2007 Findings and
Recommendations
2004-2007**

		2006	2005	2004
2007 Findings:				
	Modified Accrual/Full Accrual Basis of			
07-1	Accounting	M		
07-2	Grant Receipts	06-3	05-4	04-5
07-3	Grant Tracking & Monitoring			
07-4	Pension Reporting	06-4		
07-5	Pension Compliance			
07-6	Unclaimed Property	M		
	Segregation of Duties - Bank			
07-7	Reconciliations			
07-8	DCED Reporting Requirements			
07-9	Employee Records			
07-10	Journal Entries	M		
07-11	Information Technology	06-6		
07-12	Utility Billing Data	06-2	05-3	04-6

2007 Management Letter:

M	Implementation of Anti-Fraud Policies			
M	Conflict-of-Interest Policies			
	SAS Pronouncements/Internal Control			
M	Documentation	M		
M	Financial Analysis & Accrual Reporting	M		
M	Journal Entries	M		
M	Program Loans & Other Receivables	M	M	
	Accounting Manual & Cross-Training of Key			
M	Positions	M	M	
M	Compensated Absences/OPEB	M	M	M
M	Internal Audit Function	M	M	M

M - Management Letter item

In addition, it is important to note that over the years, standards have become tighter. What may not have been considered a reportable finding 4 years ago, may have been elevated to a finding in recent years as required by the change in auditing standards.

Also of note is that the City should be preparing for the implementation of the OPEB standard

that has been highlighted in management letters since the standard's release.

Upcoming Issues

Policy for the review and adoption of bonds and other financing initiatives
Storm Sewer Utility
Water Authority
Review of Audit Findings

It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above-stated meeting to gather information. No action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to above in this notice.

2009 Budget Calendar

- **May 2009*** – Budget Summit: initial review of financial situation and general outline of goals and objectives.
- **June 2009*** – Budget Summit Policy Issues: In depth review of goals and objectives discussed during May summit. 2009 goals and objectives will be agreed to by the summits conclusion.
- **June 30** – All Departments will submit descriptions of Goals and services provided on or before Monday, June 30th. Notice of this deadline will be provided to all Departments immediately following the May Budget Summit.
- **June 30 -July 15** – Administrative review of Department Budgets
- **July 15** – Submission of detailed Department Budgets
- **July 21** – Presentation of compiled departmental requests to City Council
- **July 22** - Budget Sub-committee begins review of Draft General Fund Budget.
- **August 1** – Initiation of joint review of General Fund Budget requests (Administration and Council Budget Sub-Committee)
- **September 2** –Discussion of Draft Budget at Special Finance Committee Meeting and submission of tax and fee ordinances.
- **September** – Provide City Council with information on upcoming bond, swap, refinancing issues that need to be approved by the end of the year.
- **October 1** – Formal presentation of 2009 Budget (General Fund and CIP) to Council & Introduction of Budget Ordinances at Special Meetings; Introduction of Fee and Tax Ordinances and Full Time Position Ordinance.
- **October 1** - Advertisement of General Fund and CIP Budget (Note: Figures to City Clerk by Monday Sept. 22 to allow preparation of the advertisements).
- **Monday, October 20th 5:00 p.m. in Council Chambers - Capital Budget Public Hearing**
- **Tuesday, October 21st 5:00 p.m. in Council Chambers – General Fund Budget Public Hearing**
- **October - November 10** – Special Meeting (if necessary) for the Introduction of Budget Amendments.

- **November 10** – Last day to Introduce Budget Amendments at Regular Meeting
- ~~**November 2009*** – Capital Budget Public Hearing 5:30 p.m. Council Chambers~~
- ~~**November 2009*** – General Fund Budget Public Hearing 5:30 p.m. Council Chambers~~
- **November 24** – Adoption of General Fund Budget, CIP Budget, and any Tax and Fee Ordinances

*Exact dates will be provided by the City Clerk.

<u>CDBG activities</u>		<u>2007</u>	<u>2008</u>	<u>not drawn (08/06/08)</u>	<u>2009 req</u>	<u>2009 AP</u>	<u>differ</u>	<u>%</u>
3rd & Spring Sts. Playground			\$89,000	\$89,000				
Abe Lincoln Hotel 108 payment	CDBG payment to HUD	\$260,000	\$216,000	\$216,000	\$216,000	\$235,186	\$19,186	9%
Adopt-A-Tree			\$20,000	\$20,000				
Baer Park			\$230,000	\$230,000				
CDBG Admin. (20% cap)		\$600,000	\$600,000	?	\$600,000	\$600,000	\$0	0%
Centre Park Bldg Façade		\$100,000		\$6,397				
City Park	Phase III	\$392,000	\$100,000	\$469,735	\$354,500	\$354,500	\$0	0%
Code Enforcement		\$336,000	\$350,000	\$261,758	\$350,000	\$350,000	\$0	0%
Commercial Façade (slum blight)			\$100,000	\$100,000	\$100,000	\$0	(\$100,000)	-100%
Commercial Façade (low mod)		\$20,000		\$20,000				
Community First Fund	L/M only & <6 person business				\$50,000	\$0	(\$50,000)	-100%
529 Court Street Façade (slum blight)		\$20,000		\$20,000				
De-conversions - OCR Inc.				\$276,277	\$0	\$0	\$0	#DIV/0!
Emergency Demos		\$509,000	\$500,000	\$395,000	\$500,000	\$500,000	\$0	0%
Essick Playground			\$48,500	\$48,500				
Fire Engine 1	received	\$475,000		\$462				
Fire Engine 3	received	\$475,000		\$462				
Fire Engine 11	received	\$475,000		\$4,944				
Fire Engine 13	received	\$475,000		\$4,944				
Fire Ladder 3	truck ordered		\$850,000	\$7,994				
Habitat public improvements			\$50,000	\$50,000				
Handicap Ramps			\$47,000	\$47,000	\$182,500	\$182,500	\$0	0%
Hamden Park			\$165,000	\$165,000				
Hillside Playground			\$285,000	\$285,000				
Liberty Façade		\$100,000		\$100,000				
Litter Baskets	baskets ordered		\$99,960	\$99,960				
Major System Rehab - NHS		\$180,000	\$46,000	\$100,000	\$75,000	\$75,000	\$0	0%
NHS home ownership assistance		\$375,000	\$100,000	\$100,000	\$50,000	\$50,000	\$0	0%
Northmont Playground					\$100,000	\$100,000	\$0	0%
Olivet / PAL Bldg. Façade		\$100,000		\$100,000				
Orange & Cherry Sts. Playground			\$82,000	\$82,000				
Re-Lighting (street lights)		\$450,000		\$349,525				
Residential Façade (slum blight)		\$60,000	\$40,000	\$66,000	\$60,000	\$50,000	(\$10,000)	-17%

CDBG activities total	\$2,638,000	\$2,497,186
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CDBG PS \$556,650	15% of (09 EN + prev yr PI) <i>PI \$711,000 07/17/08</i>	2007	2008	est not drwn (08/06/08)	2009 req	2009 AP	differ	%
CARE		\$20,000		\$17,775				
Community Policing		\$375,000	\$329,000	\$277,645	\$357,900	\$357,900	\$0	0%
Human Relations					\$23,800	\$23,800	\$0	0%
Millmont RAFT		\$25,000	\$15,000	\$15,000	\$18,000	\$18,000	\$0	0%
Literacy Council					\$44,260	\$0	(\$44,260)	-100%
NHS education	eligible ? fundable ?				\$50,000	\$0	(\$50,000)	-100%
Olivet's southeast		\$58,000	\$35,000	\$22,444	\$85,300	\$85,300	\$0	0%
Community Organizers OND/RBI	need joint application	\$154,376	\$30,000	\$19,494	\$117,000	\$15,650	(\$101,350)	-87%
Recreation NEAR		\$80,000	\$35,000	\$35,000	\$15,000	\$15,000	\$0	0%
activity delivery	\$1000 per activity	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$0	0%
CDBG PS total					\$717,260	\$521,650		

CDBG activities	\$2,497,186
CDBG public services	\$521,650
CDBG Total (EN + PI est)	\$3,000,000 + 18,836

\$655,000 slum and blight cap	
2009 Emergency Demolitions	\$500,000
Residential Façade	\$15,000

2006 and prior CDBG	not spent as of 07/17/08
2005 CDBG Admin	\$61,393
2006 CDBG Admin	\$137,592
Brookline Playground	\$1,858

Sect 108 loan pay. (exc. Lincoln)	
Goggle Works	\$241,326
Hydrojet	\$7,052
KVP	\$150,132
Readings Future	\$163,368
Sun Rich	\$119,819

Total Section 108 payments to HUD	\$681,697
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FFY 2009 HOME EN est. <u>\$950,000</u>		<u>2007</u>	<u>2008</u>	<u>2009 req</u>	<u>2009 AP</u>	<u>differ</u>	<u>%</u>
Habitat for Humanity				\$90,000	\$90,000	\$0	0%
HOME Admin. (10% cap)		\$99,000	\$95,000	\$95,000	\$95,000	\$0	0%
NHS CHDO Admin				\$42,000	\$0	(\$42,000)	-100%
NHS CHDO Set Aside		\$150,000	\$150,000	\$142,500	\$142,500	\$0	0%
OCR Inc.	\$8,500 developer fee / unit	\$630,000	\$580,000	\$580,000	\$572,500	(\$7,500)	-1%
Act delivery - "one" Rehab Specialist	salary and benefits	\$120,000	\$125,000	\$50,000	\$50,000	\$0	0%
2nd & Wash Sts Apts BHP CHDO		\$1,000,000					
HOME total				\$999,500	\$950,000		

FFY2009 ESG EN est. <u>\$135,000</u>		<u>2007</u>	<u>2008</u>	<u>2009 req</u>	<u>2009 AP</u>	<u>differ</u>	<u>%</u>
ESG Admin. (5% cap)		\$6,750	\$6,750	\$6,750	\$6,750	\$0	0%
OH / RBES		\$112,198	\$128,250	\$237,870	\$128,250	(\$109,620)	-46%
BCAP	BCCD may fund	\$0	\$0	\$30,000	\$0	(\$30,000)	-100%
BWIC	BCCD may fund	\$68,000	\$0	\$70,000	\$0	(\$70,000)	-100%
Easy Does It	BCCD may fund	\$0	\$0	\$20,000	\$0	(\$20,000)	-100%
Family Promise	BCCD may fund	\$0	\$0	\$25,000	\$0	(\$25,000)	-100%
Mary's Shelter	BCCD may fund	\$0	\$0	\$50,000	\$0	(\$50,000)	-100%
ESG total				\$439,620	\$135,000		

H:\CDPlan\COMMDEV\PROGRAM Action Plan
YEAR 35 (2009)\ spreadsheet